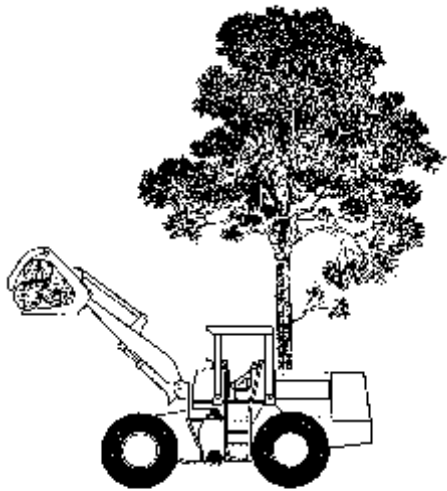


Missouri Timber Price Trends



Quarterly Market Report Vol. 10 No. 4 Oct.-Dec., 2000

Missouri Department of Conservation
Forestry Division

Missouri Timber Price Trends tracks market prices for Stumpage and Delivered Logs. Reports on the Stumpage Market are received from Missouri Department of Conservation Resource Foresters and private consulting foresters. Stumpage refers to timber sold on the stump and does not reflect delivered mill prices. Reports on the Log Market give delivered log prices and are compiled from reports submitted by sawmills and other wood processing plants. These reports should serve as a **general** guide to track stumpage and delivered log prices. Landowners should not use this report to replace a timber inventory and marketing assistance as methods of conducting a sale. Missouri Department of Conservation Resource Foresters will be able to provide information on current, local market conditions. Details of all private sales and delivered prices are kept confidential.

Tree Scale Conversion Factors

Sawlogs - Veneer Logs		Int'l = Doyle x 1.2
Pulpwood	Pine	5,200 lbs/cord
	Hardwood (hard)	5,600 lbs/cord
	Hardwood (soft)	4,200 lbs/cord

STATEWIDE TIMBER STUMPAGE PRICE TRENDS IN MISSOURI

(Oct.-Dec., 2000)

Veneer	High \$/MBF	Low \$/MBF	Weighted Average	Previous Quarter	Last Year	Number of Reports	Total Volume (MBF)
Black Walnut	\$2,915	\$710	\$920	-	\$1,200	2	5 MBF
White oak (group)	\$1,320	\$1,320	\$1,320	-	\$700	1	30 MBF
Sawlogs							
Ash	\$185	\$40	\$120	\$180	\$130	4	29 MBF
Basswood	\$65	\$65	\$65	-	-	1	1 MBF
River Birch	\$50	\$50	\$50	-	-	1	3 MBF
Black Walnut	\$725	\$35	\$425	\$390	\$685	3	41 MBF
Cottonwood	\$80	\$40	\$75	-	\$85	4	198 MBF
Elm	\$50	\$50	\$50	-	-	2	4 MBF
Hackberry	\$65	\$50	\$65	-	\$70	4	15 MBF
Hickory	\$100	\$40	\$55	\$145	\$75	4	9 MBF
Soft Maple	\$375	\$150	\$210	-	\$400	4	130 MBF
Oak (mixed species)	\$160	\$35	\$125	-	\$120	9	1,064 MBF
Post Oak	\$180	\$50	\$85	\$170	-	6	34 MBF
Red oak (group)	\$245	\$40	\$140	\$185	\$195	21	752 MBF
White oak (group)	\$245	\$45	\$185	\$190	\$290	15	600 MBF
Sycamore	\$65	\$50	\$60	\$180	\$135	2	42 MBF
Mixed Hardwoods	\$125	\$40	\$60	\$115	\$120	6	18 MBF
S Yellow Pine	\$130	\$130	\$130	\$130	\$165	2	66 MBF

Pulpwood

Mixed Hardwoods \$4 \$4 - - 2 10,676 Tons

Stave Logs

White oak (group) \$380 \$255 \$265 \$280 \$265 5 70 MBF

OZARK TIMBER STUMPAGE PRICE TRENDS IN MISSOURI

(Oct.-Dec., 2000)

Sawlogs	High \$/MBF	Low \$/MBF	Weighted Average	Previous Quarter	Last Year	Number of Reports	Total Volume (MBF)
Hickory	\$100	\$100	\$100	\$145	\$50	1	1 MBF
Oak (mixed species)	\$160	\$35	\$125	-	\$120	9	1,064 MBF
Post Oak	\$180	\$50	\$85	\$185	-	6	34 MBF
Red oak (group)	\$245	\$50	\$145	\$195	\$195	13	581 MBF
White oak (group)	\$210	\$45	\$135	\$190	\$170	7	205 MBF
Mixed Hardwoods	\$50	\$45	\$50	\$120	\$125	2	5 MBF
S Yellow Pine	\$130	\$130	\$130	\$130	\$165	2	66 MBF
Pulpwood							
Mixed Hardwoods	\$4	\$4	\$4	-	-	2	10,676 Tons
Stave Logs							
White oak (group)	\$380	\$255	\$265	\$280	\$265	5	70 MBF

PRAIRIE TIMBER STUMPAGE PRICE TRENDS IN MISSOURI

(Oct.-Dec., 2000)

	High \$/MBF	Low \$/MBF	Weighted Average	Previous Quarter	Last Year	Number of Reports	Total Volume (Board Feet)
Veneer							
Black Walnut	\$2,915	\$710	\$920	-	-	2	5 MBF
White oak (group)	\$1,320	\$1,320	\$1,320	-	-	1	30 MBF
Sawlogs							
Ash	\$185	\$40	\$120	-	\$140	4	29 MBF
Basswood	\$65	\$65	\$65	-	-	1	MBF
River Birch	\$50	\$50	\$50	-	-	1	3 MBF
Black Walnut	\$725	\$35	\$425	-	-	3	41 MBF
Cottonwood	\$80	\$40	\$75	-	\$85	4	198 MBF
Elm	\$50	\$50	\$50	-	-	2	4 MBF
Hackberry	\$65	\$50	\$65	-	\$70	4	15 MBF
Hickory	\$60	\$40	\$50	-	\$85	3	8 MBF
Soft Maple	\$375	\$150	\$210	-	\$430	4	130 MBF
Red oak (group)	\$245	\$40	\$120	\$240	\$330	8	172 MBF
White oak (group)	\$245	\$75	\$210	\$240	\$440	8	395 MBF
Sycamore	\$65	\$50	\$60	-	\$140	2	42 MBF
Mixed Hardwoods	\$125	\$40	\$60	\$50	\$70	4	13 MBF

RIVER BORDER TIMBER STUMPAGE PRICE TRENDS

Insufficient Data for Publishing

Missouri Log Market Report



Missouri Department of Conservation, Forestry Division University of Missouri, Forestry Extension Missouri Forest Products Association

Welcome to the **Missouri Log Market Report**. This report is intended to provide information on delivered log prices and market conditions for loggers and mill operators. Landowners can benefit by tracking market conditions for the various wood products harvested from a tree.

The Log Market Report is published as a cooperative effort of the Forestry Division of the Missouri Department of Conservation, University of Missouri-Extension and the Missouri Forest Products Association.

The report details prices for **Grade Logs** by species and grade; and prices for **Below Grade Logs** by species and intended end use, such as blocking, pallet lumber or ties. All prices are based on the average mean within the grade standard or product line. Absolute maximums or minimums are not reported. All prices are based on a thousand board feet unit using the International 1/4" Log Scale. Log grades used in this report are based on the following **minimum** criteria:

	Grade 1	Grade 2	Grade 3
Minimum Diameter	13-15"	11"	8"
Minimum Log Length	10'	8'	8'

We hope you find the information useful and will be working to expand the number of participating mills; reported species and products (veneer, etc); and the range of coverage for the report. All information provided by the participating mills is confidential.

If you have any questions, comments, or would like to participate in the reporting program, please call (573) 751-4115, Extension 308.

Average Statewide Delivered Prices
Dollars per Thousand Board Feet, International ¼" Scale
(Oct.-Dec., 2000)

Veneer			
Species	High	Low	Average
Black Walnut	\$790	\$790	\$790
White oak (group)	\$585	\$585	\$585

*** 1 Mill(s) reporting.**

Sawlogs			
Species	Grade 1	Grade 2	Grade 3
Ash	\$285	\$305	\$200
Black Walnut	\$470	\$290	\$185
Cherry	\$625	\$480	\$250
Cottonwood	\$165	-	\$145
Hackberry	-	\$200	\$160
Hickory	\$210	-	-
Hard Maple	\$375	\$340	\$230
Soft Maple	\$395	\$335	\$165
Red oak (group)	\$445	\$345	\$225
White oak (group)	\$360	\$300	\$205
Eastern Redcedar	\$300	\$335	\$295
S Yellow Pine	\$200	\$200	\$200
Post Oak	\$230	\$230	\$190

*** 22 Mill(s) reporting.**

Average Ozark Delivered Prices
Dollars per Thousand Board Feet, International ¼" Scale
(Oct.-Dec., 2000)

Sawlogs			
Species	Grade 1	Grade 2	Grade 3
Ash	\$345	\$275	\$215
Black Walnut	\$365	\$290	\$185
Cherry	\$400	\$400	\$250
Hackberry	-	\$200	\$150
Hard Maple	-	\$350	\$230
Red oak (group)	\$390	\$315	\$230
White oak (group)	\$325	\$265	\$195
Eastern Redcedar	\$300	\$265	\$300
S Yellow Pine	\$200	\$200	\$200
Post Oak	\$275	\$230	\$190

*** 17 Mill(s) reporting.**

Average Prairie Delivered Prices
Dollars per Thousand Board Feet, International ¼" Scale
(Oct.-Dec., 2000)

Sawlogs			
Species	Grade 1	Grade 2	Grade 3
Ash	\$355	\$335	\$190
Cherry	\$835	\$500	\$250
Cottonwood	\$165	-	\$145
Hackberry	-	-	\$210
Hard Maple	-	\$335	-
Soft Maple	\$395	\$335	\$165
Red oak (group)	\$645	\$460	\$210
White oak (group)	\$625	\$460	\$245
Eastern Redcedar	-	\$415	\$290

*** 4 Mill(s) reporting.**

Average Riverborder Delivered Prices
Dollars per Thousand Board Feet, International ¼" Scale
(Oct.-Dec., 2000)

Veneer			
Species	High	Low	Average
Black Walnut	\$790	\$790	\$790
White oak (group)	\$585	\$585	\$585

*** 1 Mill(s) reporting.**

Sawlogs			
Species	Grade 1	Grade 2	Grade 3
Ash	\$230	-	-
Black Walnut	\$500	-	-
Cherry	\$585	-	-
Hickory	\$210	-	-
Hard Maple	\$375	-	-
Red oak (group)	\$460	-	-
White oak (group)	\$335	-	-
Post Oak	\$210	-	-

*** 1 Mill(s) reporting.**

Average Statewide Delivered Prices
Dollars per Thousand Board Feet, International ¼" Scale
(Oct.-Dec., 2000)

Below Grade Logs

Species	Blocking	Pallet	Tie
Ash	\$100	\$120	\$125
Black Walnut	\$215	\$165	\$240
Cherry	\$100	\$115	\$125
Cottonwood	\$140	\$130	\$240
Elm	\$135	\$145	\$205
Hackberry	\$145	\$145	\$205
Hickory	\$145	\$155	\$210
Hard Maple	\$140	\$150	\$225
Soft Maple	\$145	\$150	\$230
Red oak (group)	\$145	\$150	\$210
White oak (group)	\$145	\$150	\$210
Pecan	\$140	\$125	-
Gum	\$140	\$140	\$230
Eastern Redcedar	-	\$145	-
S Yellow Pine	\$160	\$160	\$200
Post Oak	\$150	\$150	\$210

* 25 Mill(s) reporting.

QUARTERLY MARKET CONDITIONS

33 mills, with a combined annual production of 115 million board feet, participated in the survey of log and lumber market conditions. In addition, foresters reported stumpage prices resulting from 30 timber sales containing 3.2 million board feet located throughout the state.

Log Markets

December weather was rough for the sawmill business. About half of the sawmills reporting data for the 4th quarter were forced to shut down at least a few days because of weather related effects. Snow, sleet and ice across southern Missouri brought logging to a virtual halt and log inventories have declined as a result. The large surpluses of log inventories that many mills enjoyed in the late Fall are now being consumed and in some cases have been completely used. Many mills are thankful that they had some surplus log inventory going into the first tough winter in several years. Sub zero wind chills and temperatures in the single digits also caused mills to stop production during December and early January. Further bad weather or generally poor logging conditions could have a significant impact on log price and availability in local areas. A wet Spring could spell trouble for mills who are betting on a steady supply of logs for the next three months.

Nearly 50% of the mills report low log inventories, however, most of those indicate their log

purchases will remain about the same as the last quarter. There is apparent optimism that the worst of the weather is over and logging conditions will continue to be acceptable through the end of March.

Log prices will remain fairly stable as indicated by a predominance of mills indicating they don't intend to increase delivered log prices at this time. Local log markets could see increased prices for better quality red and white oak grade logs. Soft markets could actually reduce prices for Cottonwood, soft maple, and cherry in northern and western Missouri. In the Ozarks, there is still pressure to reduce delivered prices for small diameter logs of almost all species. Tie logs prices are likely to remain steady to slightly lower.

Markets for most wood products have been steady through the last quarter. Exceptions that might be listed include: (1) Ash, soft maple, and cottonwood grade lumber, (2) pallet lumber, and (3) blocking. Slight declines in those markets were noted by several mills. However, in general, markets and business seemed steady at levels experienced during the previous quarter. Lowering interest rates and a change in administration may awaken the economy from its winter slumber, but business activity in the immediate future is more likely to be the controlled increase variety.

Stumpage Markets

Stumpage prices during the 4th Quarter of 2000 reflected an unusually stable wood products industry. Fall harvesting activity increased, but the bad weather of December delayed bid openings of several timber sales, especially by consulting foresters. Perhaps the brightest spot in the reports received was prices paid for soft maple stumpage in northern Missouri. Consumer preference for maple cabinets and furniture is certainly still alive, but manufacturers are looking for substitute species at lower cost. Soft maple certainly "fits the bill" and we've seen better prices for soft maple as a result. However, there is always two sides to every market coin and, in this case, both the demand and price have softened significantly for hard maple stumpage. Missouri has never had a large or particularly good quality hard maple supply, so the prices here were among the first to soften.

As usual, demand for the better quality red oak and white oak species is still good and the prospects for the immediate future are bright. Consumer preference for anything made of red oak continues. White oak veneer is also selling well at very attractive prices. White oak stave quality log prices have been stable in both demand and price. However, don't overlook this market if you have good quality white oak timber because prices generally exceed those for grade sawlogs.

Pallet and blocking log prices in southern Missouri were depressed slightly during the quarter for several reasons. Surplus mill inventories at the beginning of the quarter resulted in soft markets for all low grade material. With the reduced logging due to weather in December, we will probably see a slight increase in both demand and price in next couple of months as mills rebuild what are now low log inventories. Any increases in business activity will only add to this effect. Landowners with poor to average stands of timber who have sales prepared would be advised to put their sales on the market before the end of March. This is especially true for those timber stands with easy access to good roads. If you don't have a sale prepared, contact your local forester quickly because their schedules are filling.

We continue to receive an increasing number of reports from foresters in SE Missouri which include sale of hardwood pulpwood. Although there is a global surplus of chips and pulp at present, this is still a good market for thinnings, TSI, and top wood from conventional timber sales. A word of caution however: Do not be tempted to sell good quality growing stock for pulpwood prices! This is an area where you need the advice of an independent forester, not a representative of a large timber harvesting company or pulpwood processor.

There are several changes in this issue of the Missouri Timber Price Report which we promised you last Fall. We are listing **Post Oak** separately from the white oak category because it usually commands lower prices. Foresters had been listing it separately for a long time and we finally made the software changes that permit us to calculate the report. This change should make the figures for both post oak and white oak more accurate for subscribers. We have also included some summary graphics which, hopefully, will allow readers to get a better understanding of overall timber markets and long term trends in timber prices. If you would like to suggest a particular analysis of a species or grade of logs that would be of interest to other subscribers, please let us know what you would like and we will try to include it in a future issue. Sorry, but we don't have the time to do analysis for individual requests.

Reminder to landowners: 2001 Tree Farm Stewardship Days is March 2-3 at the Capitol Plaza Hotel in Jefferson City. Preregistration forms and information are available by phoning Julie Rhoads at 573-883-3234 or e-mail at RhoadsJ@missouri.edu.

Highlights of the Year 2000

The following information is based on reports of 94 timber sales administered by professional foresters throughout the state of Missouri during calendar year 2000. These timber sales represented 5, 808 acres and generated a total of \$2.06 Million to landowners.

The average total price per acre received by landowners for timber sales was **\$355.00 per acre**. The maximum value reported was **\$2,332.00 per acre**. The minimum value reported was **\$25.00 per acre**.

The type of harvesting system prescribed was as follows:

Thinning	36%
Uneven Age Mgt. (UAM)	32%
Diameter Limit	25%
Clear Cut	7%

The vast majority of landowners sell their timber on a lump sum basis.

Lump Sum	83%
Percentage	10%
Scaled	7%

The average forester administered timber sale attracted **3 bidders**.

Consulting Foresters administered over 70% of the timber sales in which a professional forester was involved on private land.

the local Missouri Department of Conservation Resource Forester. Contact the nearest Forest District office for up-to-date, local advice. The Missouri Department of Conservation's Forestry Division, (573) 751-4115, Extension 308, will be happy to provide you with the name and address of the Resource Forester or District Forest Office nearest to you.

Editor's Note:

Remember that one of the most valuable sources for information on log and timber markets is

